



We Pay Twice for Affordable Housing

Posted by **Pierluigi Oliverio** on Monday, February 28, 2011

In past blogs I have expressed my concern about the cost to our city of too much housing. Specifically, housing that does not pay its own share of revenue. One example I have pointed out—and constantly been the lone vote against—is affordable housing.

We run the daily operations of our city with tax revenue. The city does not write paychecks signed “goodwill” or “number-one provider of affordable housing,” but rather with dollars backed by tax revenues. So when we add to the housing stock by approving, for example, an affordable housing project that does not pay property tax, road-paving fees and only 50 percent of park fees, it is a net loss for our city. Therefore existing residents subsidize city services for the new residents.

Annual property taxes in San Jose are needed to pay ongoing salaries and benefits of employees. Road-paving fees go towards paving streets in San Jose. If you ride a bicycle or drive a car you know that we need every dollar. Park fees allow for new parks or increasing the size of current parks so we do not wear out the existing park infrastructure in established neighborhoods. For years developers were exempted from paying park fees for affordable housing projects which created more residents but not enough open space. However last year with the support of the city council I managed to get it changed to where developers must now pay half the park fees that market-rate housing pays.

The other item of interest is that affordable housing generates extraordinary calls for service from our police. Attached is a snapshot of data for eight affordable housing developments in San Jose and the calls for police service. Since there are more calls for service around these affordable housing projects, over time our police department may schedule more police in this area to manage those calls. This may translate to less police coverage in other areas of San Jose, perhaps where you live. In addition, our fire department receives more medical-related calls, and again there’s no tax revenue to pay for the employees.

So we pay twice. Once, by exempting taxes and fees. Twice, by higher use of city services than existing residents. (Also, most of these projects were financed with RDA funds, and the State of California mandates that 20 percent of that money be spent on affordable housing. And many of these projects were put in places zoned for jobs and not housing.)

Out of the many suggestions I have made on this topic I believe affordable housing developments that have too many calls for service should hire an off-duty officer and/or ambulance to be there on site.

[Here is a link to 730 police calls on eight housing developments, among some 11,000 units built.](#)

On another topic, one of my favorite Downtown events starts Tuesday night, The Cinequest Film Festival. Check it out at Cinequest.org.

Related to cinema I obtained a documentary film about urban parks directly from the filmmaker called *The Olmstead Legacy*. Monday, March 7 at 6:30PM will be the premiere showing in San Jose at City Hall. [Find out more about The Olmstead Legacy here.](#) The film will be followed by a discussion on urban parks. The event is near capacity; please email me if you want to reserve one of the remaining seats at Pierluigi.Oliverio@SanJoseCA.gov

Finally, the bipartisan Little Hoover Commission, an independent state oversight agency, made its recommendation to Governor Brown about pensions last week:

[Read the Feb. 24, 2011 Little Hoover Commission Report here.](#)

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